(c) and (d) Keeping in view the importance of Agriculture in the economy, the Union Budget 2005-06 has provided substantial outlays in the areas like horticulture and irrigation including micro-irrigation. The Budget has provided Rs. 630 Crore in 2005-06 for National Horticulture Mission, which will ensure end-to-end approach having backward and forward linkages covering research, production, post-harvest management, processing and marketing, under one umbrella, in an integrated manner. The Budget has provided Rs. 4800 crore for Accelerated Irrigation Benefit Programme for 2005-06 compared with Rs. 2800 crore in 2004-05. With a view to improving water use efficiency in Indian agriculture, the Budget has provided Rs. 400 crore for promoting water use efficiency in Indian agriculture, the Budget has provided Rs. 400 crore for promoting micro irrigation in 2005-06. Since he flow of credit is important in accelerating the pace of investment in agriculture, the disbursement of agricultural credit is proposed to be stepping up by 30% in 2005-06 over the disbursement of Rs. 1,15,243/-in 2004-05, which exceeded the disbursement of Rs. 86,981 crore made in 2003-04 by 32%. These measures are expected to lead to a reversal of the deceleration in agricultural growth.

MSP of Cotton in Maharashtra

4663. SHRI BALAVANT *Alias* BAL APTE:

SHRI RUDRA NARAYAN PANY:

Will the Minister of AGRICULTURE be pleased to state:

(a) the minimum support price of cotton fixed by Maharashtra Government and other State Government in this year;

(b) the details of Agriculture Price Commission's recommendation in this regard, indicating the cost of production of cotton in different areas; and

(c) how far the farmer's interests have been safeguarded thereby

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA):(a) Fixation of Minimum Support Price (MSP) does not come under the purview of the State Governments, including Maharashtra. Based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), the Government of India has fixed the MSP for the basic varieties of cotton (kapas) F-414/H-777/J-34 at Rs. 17607- per quintal and for H-4 at Rs. 1980/- per quintal for 2005-06 season. The C2 cost of production (actual expenses paid in cash and kind, rent

for leased-in land and imputed value of wages for family labour, rent for owned and land and interest on fixed capital) in major cotton producing States during 2005-06 is enclosed as statement (See below).

(c) The MSP fixed covers cost of production and a reasonable margin over and above cost with a view to protecting the interests of farmers. In the case of states with high cost of production MSP covers A2+FL costs (actual expenses paid in cash and kind, rent for leased-in land and imputed value for wages of family labour) and a reasonable margine over A2+ FL costs. A2+FL costs are also given in the Annexure. In order to avoid distress sale by farmers, the Government undertakes Price Support Operation of cotton through Cotton Corporation of India (CCI) and National Agricultural Cooperative Marketing Federation Corporation of (NAFED), if prices of cotton fall below the MSP level.

Statement

Projected cost of Production of Cotton in Major Cotton Producing States during 2005-06 Season

(Rs./Vquintal)

States	C2 Cost	A2+FL cost
Andhra Pradesh	1815.20	1199.61
Gujarat	1760.73	1425.08
Haryana	1801.72	1251.53
Karnataka	2318.12	1677.22
Madhya Pradesh	2550.04	1500.47
Maharashtra	2302.77	1813.06
Punjab	2414.68	1833.83
Tamil Nadu	2585.64	1808.81
Weighted Average	2076.84	1549.01

NOTES. 1. C2 cost covers actual expenses paid in cash and kind, rent for leased-in land, and imputed value for wages of family labour, rent for owned and land and interest on fixed capital.

2. A2+FL cost covers actual expenses paid in cash and kind, rent for leased-in land and imputed value of wages of family labour.